

**REVIEW OF ANNUAL REPORT AND AUDITED ACCOUNTS OF IRCON
INTERNATIONAL LIMITED FOR F. Y. 2013-14**

BACKGROUND

Ircon has a long standing reputation as a consistent sectoral leader amongst the public sector construction companies in the Country with specialization in Railway and Highway constructions on turnkey basis and otherwise. The Company is a Schedule 'A' Company since 15th May 2006; a Mini Ratna Category-I since 1998; ISO certified since 1995, and has been signing the MOU with the Ministry of Railways since 1991-92. Ircon has been consistently earning profits and foreign exchange and paying dividend every year, without exception.

FINANCIAL HIGHLIGHTS

During 2013-14, Ircon has achieved an operating income of ₹ 4067 crores (approx.). The profit before tax increased by 23.05% from ₹ 1015 crores in 2012-13 to ₹ 1249 crores in 2013-14. The profit after tax also registered an increase of 24.25% from ₹ 730 crores in 2012-13 to ₹ 907 crores in 2013-14. Ircon International Limited has paid an all-time high **record dividend** of ₹ 182.12 crores for the year 2013-14.

Ircon is one of the only four Indian companies which could make it to the list of top 250 International Contractors 2014 as per Engineering News Record (ENR), USA.

During 2013-14, Railways accounted for 96% of operating income, Highways accounted for 3%, and the balance 1% resulted from buildings, electrical projects, etc. Foreign projects contributed 50% to total income during the year.

Some important indicators of financial performance of the Company for the year 2013-14 vis-a-vis 2012-13 are given below:

Particulars	₹ in crores)	
	2013-14	2012-13
1. Total income/Gross sales	4307	4471
2. Total Operating income	4067	4232
3. Profit before tax	1249	1015
4. Profit after tax	907	730
5. Net worth	2993	2300

OPERATIONAL HIGHLIGHTS

The on-going foreign **projects are in** Malaysia, Sri Lanka, Algeria, and Bangladesh.

Important projects under execution in India include BG New Railway line from Dharam to Qazigund, Rail cum road bridge across river Ganga, New Rail Coach Factory at Raebareli (U.P.), Sivok-Rangpo New Rail Line Project, Rail Link between Jogbani (Bihar) India to Biratnagar (Nepal), Rail Link between Jayanagar (India) - Bijalpura (Nepal), Road over Bridges in the State of Rajasthan and Bihar, Railway siding for Kalisindh Power Project, Jhalawar, Rajasthan, Coaching terminal at Shalimar, Development of circulating area at Santragachi and essential passenger amenities and road connectivity, Rural roads and bridges under Pradhan Mantri Gram Sadak Yojana (PMGSY), CE-6, Lot-1 of DMRC for Delhi MRTS project, three electric loco sheds at Bondamunda, Daund, and Mughalsarai.

In foreign countries, the Company has completed the Seremban – Gemas double tracking project and also project for reconstruction of Railway Line from Omanthai to Pallai, and restoration of Medawachchiya to Madhu Road Railway Line. In Ethiopia, sub-station equipments for Ethiopian Electric Power Corporation (EEPCO), and in Afghanistan, sub-station (new) at Aybak and bay expansion work have been completed.

The Company has also completed **five projects** in India which includes Pir Panjal tunnel and railway line from Banihal to Qazigund section, Mughalsarai-Sultanpur-Utaratia Railway Electrification project for Central Organisation for Railways Electrification, 220/33 KV sub-station at Cuncolim (Goa), 11 kv distribution network (APDRP Kochi City Scheme) for Kerela State Electricity Board, RSVY project (Bihar).

Awards

The Company has so far received **45 awards from PEPC** [formerly known as Overseas Construction Council of India (OCCI)] and **25 awards from EEPC**. **The awards received during the year include:** ‘Asia Pacific HRM Congress Award 2013’ for “CEO with HR orientation”, Two Dun and Bradstreet’s Infra Awards 2013 -- one Silver Trophy for Top Infrastructure Company under the category Construction - Infrastructure Development – Mid, and another for best project under the category ‘Railways’ for Qazigund–Banihal section of J&K Rail Link project, India Pride Awards 2013-14 for ‘Excellence in Public Sector Undertakings – Central in India Image Enhancement’, Gold Trophy from EEPC for Export Excellence in the category of Top Merchant Exporter for the year 2012-13, two CIDC Vishwakarma Award 2014 in the categories of best professionally managed company with a turnover of more than ₹ 1,000 crores, **and best construction project for Pir Panjal Railway Tunnel, J&K.**

Governance and Sustainability

CSR & SD: The Company has executed CSR and Sustainability projects to the tune of ₹ 8.49 crores in the areas of health, education, infrastructure, skill development, and green initiatives like solar powered water pumps, installation of solar lights / panels etc. in and around its projects. This apart, the Company has also made contribution of ₹ 1.25 crores towards the Chief Minister’s Relief Fund, to provide relief to the flood affected victims in the State of Uttarakhand.

Corporate Governance: Ircon is complying with legal requirements and government guidelines regarding Corporate Governance. For the 8th consecutive year, Ircon received ‘NIL’ comments from the C&AG for the year 2013-14.

The Company has also signed Memorandum of Understanding with Transparency International India (TII) for adoption and implementation of Integrity Pact, and it is being implemented for all Indian Projects with value of ₹ 5 crores and above.

Subsidiaries

During the year, Ircon had two subsidiaries, viz. ‘**Ircon Infrastructure & Services Limited**’, with 100% shareholding of Ircon, and ‘**Indian Railway Stations Development Corporation Limited**’, a joint venture of Ircon with RLDA with shareholding in the ratio of 51:49 by Ircon and RLDA, respectively.
